

**DRAFT STATEMENT OF PROCEEDINGS FOR THE  
SPECIAL MEETING OF THE  
CITY OF HUNTINGTON PARK OVERSIGHT BOARD**

**CITY OF HUNTINGTON PARK  
CITY COUNCIL CHAMBERS  
6550 MILES AVENUE  
HUNTINGTON PARK, CALIFORNIA, 90255**

**Wednesday, June 5, 2013**

**4:00 PM**

**I. CALL TO ORDER**

Chair Guerrero called the meeting to order at 4:20 p.m.

**II. ROLL CALL**

Estevan Padilla, Oversight Board Administrative staff, called the meeting to order.

Present: Board Member Albert Fontanez, Board Member Richard Verches, Board Member Theresa Villegas (arrived at 4:22 p.m.), Vice Chair Yolanda Duarte and Chair Elba Guerrero

Absent: Board Member Luis Buendia

Vacancies: County Appointee

**III. ADMINISTRATIVE MATTERS**

1. Recommendation: Approve the Statement of Proceedings of April 10, 2013. (13-2600)

**On motion of Board Member Fontanez, seconded by Board Member Verches, unanimously carried (Board Member Buendia being absent and the County appointee being vacant), the Board approved the Statement of Proceedings of the April 10, 2013 meeting.**

**Attachments:** [SUPPORTING DOCUMENT](#)

**IV. DISCUSSION**

2. Review of the Long-Range Property Management Plan (LRPMP). (13-2602)

Julio Morales, Finance Director, discussed the options available in the Long Range Property Management Plan (LRPMP) for each property the Successor Agency is recommending to the Oversight Board. He added that the Heritage Plaza property has challenges associated with the sale and the only interested

Party in purchasing the property is the actual owner of the structure. The Successor Agency owns the land which the structure sits on and the current leasee owns the structure. The Successor Agency would like to partake in direct negotiations with the owner; however, the price of the sale has not been established. Therefore, staff is seeking guidance from the Board on an acceptable price for the property.

Teresa Highsmith, Oversight Board Counsel, indicated a Closed Session would be the proper way to discuss the negotiating price because the information should not be disclosed to the public because it may provide information to a potential buyer on the asking price. Board Member Verches was unclear if the estimated value was \$290,000. Mr. Morales explained the actual appraised value is \$17,000. The land value without the lease in place would be \$290,000.

Board Member Verches recommended the Successor Agency extend their negotiating interest not only with the immediate owner of the building on the land, but also seek out competitive bids from other interested parties in order to maximize potential profits. Mr. Morales noted it would be difficult to acquire another interested party because of the lease restrictions and covenants tied to the property. Ms. Highsmith added that going into Closed Session was no longer a necessity because in the staff report available to the public, the Successor Agency actually provides a potential starting sale price of \$150,000.

Mr. Morales stated that the Successor Agency would like to have the Rugby parking lot property transferred to the City of Huntington Park and retain it for public purposes. He added that there is a grant deed restriction which states one parking lot section must be returned back to the City in 2082. The Successor Agency believes this will hinder the value of the property if it were to be sold.

Board Member Verches expressed his concern of governmental interest versus public interest and added that a parking lot does not fulfill the definition of governmental use. Ms. Highsmith indicated to the Oversight Board that they have the authority to approve the transfer of property. However, the Department of Finance (DOF) has determined that a parking lot without structure does not qualify as governmental purpose unless the parking was adjacent to a city facility.

Ms. Highsmith also added that the DOF's position on the issue within the law has no merit since California Streets and Highway Code Section 32501 states that "The supplying of additional parking facilities and the performance of all undertakings incidental or advantageous thereto are public uses and purposes for which public money may be spent and private property acquired, and are governmental functions."

Mr. Morales stated that the Carmelita property would be an open market sale via

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a Request for Proposals (RFP) process with the expectation to redevelop the property into affordable housing units. He also stated that the Southland Steel property is the most challenging sale due to the liabilities of the contaminants associated with the property. Mr. Morales added that the City has changed the zoning from industrial to commercial/ retail in order to attract more interest in the property and that there are two bids in place, one from Nick Alexander BMW and the other from Charles Dunn, a private developer. Ms. Highsmith added that the California Land Reuse and Revitalization (CLRRA) report regarding the Southland Steel property, states that the new owner will not be responsible for third party liability claims if a clean-up plan is implemented.

Board Member Verches excused himself from the proceedings at 5:07 p.m.

**By Common Consent, there being no objection (Board Member Buendia being absent and the County appointee being vacant), the Board received and filed the staff report.**

Attachments:    [SUPPORTING DOCUMENT](#)

#### **V. MISCELLANEOUS**

3.    Matters not posted on agenda (to be presented and placed on the agenda for a future meeting).    (13-2603)  
      There were none.
4.    Public Comment (Opportunity for Members of the Public to Address the Board on Items of Interest that are within the Jurisdiction of the Board).    (13-2605)  
      There were none.
5.    Chair and Board Member Comments.    (13-2606)  
      There were none.
6.    Adjournment of the Special Meeting of June 5, 2013.    (13-2607)  
      The meeting adjourned at 5:31 p.m.